#### A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that the development of
- 2 hydroelectric energy-generating facilities in Hawaii is vital to
- 3 the energy security and energy independence of the State.
- 4 Increased use of renewable energy resources will achieve broad
- 5 societal benefits, including resistance to oil price increases,
- 6 environmental sustainability, economic development, and job
- 7 creation.
- 8 The legislature also finds that some of the sites that are
- 9 targeted for the development of hydroelectric energy-generating
- 10 facilities in Hawaii are located on agricultural lands.
- 11 Although various types of renewable energy facilities may be
- 12 constructed on agricultural lands, hydroelectric facilities
- 13 currently are not included as a permissible use.
- 14 The legislature further finds that Hawaii's agricultural
- 15 land is a fundamentally important and diminishing resource that
- 16 is pivotal to the State's initiatives in food security.
- 17 Therefore, the location, construction, and operation of

1 renewable energy facilities must be considered in a manner that 2 promotes both food and energy security. 3 The purpose of this Act is to authorize construction of 4 hydroelectric facilities on agricultural lands; provided that 5 the hydroelectric facilities: 6 Have a hydroelectric generating capacity of not more than thirty kilowatts; 8 (2) Comply with instream flow standards established by the 9 commission on water resource management; **10** . Are accessory to agricultural activities; and (3) 11 Do not adversely impact or impede the use of (4)12 agricultural land or the availability of surface or 13 groundwater for irrigation use on parcels that are 14 served by the ground water sources or streams for 15 which hydroelectric facilities are considered. 16 SECTION 2. Section 205-2, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows: 17 18 Agricultural districts shall include: 19 Activities or uses as characterized by the cultivation of crops, crops for bioenergy, orchards, forage, and 20

forestry;

21

1	(2)	Farming activities or uses related to animal husbandry
2		and game and fish propagation;
3	(3)	Aquaculture, which means the production of aquatic
4		plant and animal life within ponds and other bodies of
5		water;
6	(4)	Wind generated energy production for public, private,
7		and commercial use;
8	(5)	Biofuel production, as described in section
9		205-4.5(a)(16), for public, private, and commercial
10		use;
11	(6)	Solar energy facilities; provided that:
12		(A) This paragraph shall apply only to land with soil
13		classified by the land study bureau's detailed
14		land classification as overall (master)
15		productivity rating class B, C, D, or E; and
16		(B) Solar energy facilities placed within land with
17		soil classified as overall productivity rating
18		class B or C shall not occupy more than ten per
19		cent of the acreage of the parcel, or twenty
20		acres of land, whichever is lesser, unless a

1		special use permit is granted pursuant to section
2		205-6;
3	(7)	Bona fide agricultural services and uses that support
4		the agricultural activities of the fee or leasehold
5		owner of the property and accessory to any of the
6		above activities, regardless of whether conducted on
7		the same premises as the agricultural activities to
8		which they are accessory, including farm dwellings as
9		defined in section 205-4.5(a)(4), employee housing,
10		farm buildings, mills, storage facilities, processing
11		facilities, photovoltaic, biogas, and other small-
12		scale renewable energy systems producing energy solely
13		for use in the agricultural activities of the fee or
14		leasehold owner of the property, agricultural-energy
15		facilities as defined in section 205-4.5(a)(17),
16		hydroelectric facilities in accordance with section
17		205-4.5(a)(23), vehicle and equipment storage areas,
18		and plantation community subdivisions as defined in
19		section 205-4.5(a)(12);
20	(8)	Wind machines and wind farms;

1	(9)	Small-scale meteorological, air quality, noise, and
2		other scientific and environmental data collection and
3		monitoring facilities occupying less than one-half
4		acre of land; provided that these facilities shall not
5		be used as or equipped for use as living quarters or
6		dwellings;
7	(10)	Agricultural parks;
8	(11)	Agricultural tourism conducted on a working farm, or a
9		farming operation as defined in section 165-2, for the
10		enjoyment, education, or involvement of visitors;
11		provided that the agricultural tourism activity is
12		accessory and secondary to the principal agricultural
13		use and does not interfere with surrounding farm
14		operations; and provided further that this paragraph
15		shall apply only to a county that has adopted
16		ordinances regulating agricultural tourism under
17		section 205-5;
18	(12)	Agricultural tourism activities, including overnight
19		accommodations of twenty-one days or less, for any one
20		stay within a county; provided that this paragraph
21		shall apply only to a county that includes at least

1		three islands and has adopted ordinances regulating
2		agricultural tourism activities pursuant to section
3		205-5; provided further that the agricultural tourism
4		activities coexist with a bona fide agricultural
5		activity. For the purposes of this paragraph, "bona
6		fide agricultural activity" means a farming operation
7		as defined in section 165-2;
8	(13)	Open area recreational facilities;
9	(14)	Geothermal resources exploration and geothermal
10		resources development, as defined under section 182-1
11		and
12	(15)	Agricultural-based commercial operations, including:
13		(A) A roadside stand that is not an enclosed
14		structure, owned and operated by a producer for
15		the display and sale of agricultural products
16	-	grown in Hawaii and value-added products that
17		were produced using agricultural products grown
18		in Hawaii;
19		(B) Retail activities in an enclosed structure owned
20		and operated by a producer for the display and
21		sale of agricultural products grown in Hawaii.

1		value-added products that were produced using
2		agricultural products grown in Hawaii, logo items
3		related to the producer's agricultural
4		operations, and other food items; and
5	(C)	A retail food establishment owned and operated by
6		a producer and permitted under title 11, chapter
7		12 of the rules of the department of health that
8		prepares and serves food at retail using products
9		grown in Hawaii and value-added products that
10	·	were produced using agricultural products grown
11		in Hawaii.
12	The	owner of an agricultural-based commercial
13	oper	ation shall certify, upon request of an officer or
14	agen	t charged with enforcement of this chapter under
15	sect	ion 205-12, that the agricultural products
16	disp	layed or sold by the operation meet the
17	requ	irements of this paragraph.
18	Agricultural d	istricts shall not include golf courses and golf
19	driving ranges	, except as provided in section 205-4.5(d).
20	Agricultural d	istricts include areas that are not used for or

1	that are	not suited to, agricultural and ancillary activities by
2	reason of	topography, soils, and other related characteristics."
3	SECT	TION 3. Section 205-4.5, Hawaii Revised Statutes, is
4	amended b	y amending subsection (a) to read as follows:
5	"(a)	Within the agricultural district, all lands with soil
6	classifie	ed by the land study bureau's detailed land
7	classific	ation as overall (master) productivity rating class A
8	or B and	for solar energy facilities, class B or C, shall be
9	restricte	d to the following permitted uses:
10	(1)	Cultivation of crops, including crops for bioenergy,
11		flowers, vegetables, foliage, fruits, forage, and
12		timber;
13	(2)	Game and fish propagation;
14	(3)	Raising of livestock, including poultry, bees, fish,
15		or other animal or aquatic life that are propagated
16		for economic or personal use;
17	(4)	Farm dwellings, employee housing, farm buildings, or
18		activities or uses related to farming and animal
19		husbandry. "Farm dwelling", as used in this
20		paragraph, means a single-family dwelling located on
21		and used in connection with a farm, including clusters

1		or single-family farm dwellings permitted within
2		agricultural parks developed by the State, or where
3		agricultural activity provides income to the family
4		occupying the dwelling;
5	(5)	Public institutions and buildings that are necessary
6		for agricultural practices;
7	(6)	Public and private open area types of recreational
8		uses, including day camps, picnic grounds, parks, and
9		riding stables, but not including dragstrips,
10		airports, drive-in theaters, golf courses, golf
11		driving ranges, country clubs, and overnight camps;
12	(7)	Public, private, and quasi-public utility lines and
13		roadways, transformer stations, communications
14		equipment buildings, solid waste transfer stations,
15		major water storage tanks, and appurtenant small
16		buildings such as booster pumping stations, but not
17		including offices or yards for equipment, material,
18		vehicle storage, repair or maintenance, treatment
19		plants, corporation yards, or other similar
20		structures;

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1	(8)	Retention, restoration, rehabilitation, or improvement
2		of buildings or sites of historic or scenic interest;
3	(9)	Agricultural-based commercial operations as described
4		in section 205-2(d)(15);
5	(10)	Buildings and uses, including mills, storage, and
6		processing facilities, maintenance facilities,
7		photovoltaic, biogas, and other small-scale renewable
8		energy systems producing energy solely for use in the
9		agricultural activities of the fee or leasehold owner
10		of the property, and vehicle and equipment storage
11		areas that are normally considered directly accessory
12		to the above-mentioned uses and are permitted under
13		section 205-2(d);
14	(11)	Agricultural parks;
15	. (12)	Plantation community subdivisions, which as used in
16		this chapter means an established subdivision or
17		cluster of employee housing, community buildings, and
18		agricultural support buildings on land currently or
19		formerly owned, leased, or operated by a sugar or
20		pineapple plantation; provided that the existing
21		structures may be used or rehabilitated for use, and

1		new employee housing and agricultural support
2		buildings may be allowed on land within the
3		subdivision as follows:
4		(A) The employee housing is occupied by employees or
5		former employees of the plantation who have a
6		property interest in the land;
7		(B) The employee housing units not owned by their
8		occupants shall be rented or leased at affordable
9		rates for agricultural workers; or
10		(C) The agricultural support buildings shall be
11		rented or leased to agricultural business
12		operators or agricultural support services;
13	(13)	Agricultural tourism conducted on a working farm, or a
14		farming operation as defined in section 165-2, for the
15		enjoyment, education, or involvement of visitors;
16		provided that the agricultural tourism activity is
17		accessory and secondary to the principal agricultural
18		use and does not interfere with surrounding farm
19		operations; and provided further that this paragraph
20		shall apply only to a county that has adopted

1		ordinances regulating agricultural tourism under
2		section 205-5;
3	(14)	Agricultural tourism activities, including overnight
4		accommodations of twenty-one days or less, for any one
5		stay within a county; provided that this paragraph
6		shall apply only to a county that includes at least
7		three islands and has adopted ordinances regulating
8		agricultural tourism activities pursuant to section
9		205-5; provided further that the agricultural tourism
10		activities coexist with a bona fide agricultural
11		activity. For the purposes of this paragraph, "bona
12		fide agricultural activity" means a farming operation
13		as defined in section 165-2;
14	(15)	Wind energy facilities, including the appurtenances
15		associated with the production and transmission of
16		wind generated energy; provided that the wind energy
17		facilities and appurtenances are compatible with
18		agriculture uses and cause minimal adverse impact on
19		agricultural land;
20	(16)	Biofuel processing facilities, including the
21		appurtenances associated with the production and

1		relining of biorders that is normally considered
2		directly accessory and secondary to the growing of the
3		energy feedstock; provided that biofuel processing
4		facilities and appurtenances do not adversely impact
5		agricultural land and other agricultural uses in the
6		vicinity.
7		For the purposes of this paragraph:
8		"Appurtenances" means operational infrastructure
9		of the appropriate type and scale for economic
10		commercial storage and distribution, and other similar
11		handling of feedstock, fuels, and other products of
12		biofuel processing facilities.
13		"Biofuel processing facility" means a facility
14		that produces liquid or gaseous fuels from organic
15		sources such as biomass crops, agricultural residues,
16		and oil crops, including palm, canola, soybean, and
17		waste cooking oils; grease; food wastes; and animal
18		residues and wastes that can be used to generate
19		energy;
20	(17)	Agricultural-energy facilities, including
21		appurtenances necessary for an agricultural-energy

1	enterprise; provided that the primary activity of the
2	agricultural-energy enterprise is agricultural
3	activity. To be considered the primary activity of an
4	agricultural-energy enterprise, the total acreage
5	devoted to agricultural activity shall be not less
6	than ninety per cent of the total acreage of the
7	agricultural-energy enterprise. The agricultural-
8	energy facility shall be limited to lands owned,
9	leased, licensed, or operated by the entity conducting
10	the agricultural activity.
11	As used in this paragraph:
12	"Agricultural activity" means any activity
13	described in paragraphs (1) to (3) of this subsection.
14	"Agricultural-energy enterprise" means an
15	enterprise that integrally incorporates an
16	agricultural activity with an agricultural-energy
17	facility.
18	"Agricultural-energy facility" means a facility
19	that generates, stores, or distributes renewable
20	energy as defined in section 269-91 or renewable fuel
21	including electrical or thermal energy or liquid or

1		gaseous fuels from products of agricultural activities
2		from agricultural lands located in the State.
3		"Appurtenances" means operational infrastructure
4		of the appropriate type and scale for the economic
5		commercial generation, storage, distribution, and
6		other similar handling of energy, including equipment,
7		feedstock, fuels, and other products of agricultural-
8		energy facilities;
9	(18)	Construction and operation of wireless communication
10		antennas; provided that, for the purposes of this
11		paragraph, "wireless communication antenna" means
12		communications equipment that is either freestanding
13		or placed upon or attached to an already existing
14		structure and that transmits and receives
15		electromagnetic radio signals used in the provision of
16		all types of wireless communications services;
17		provided further that nothing in this paragraph shall
18		be construed to permit the construction of any new
19		structure that is not deemed a permitted use under
20		this subsection;

1	(19)	Agricultural education programs conducted on a farming
2		operation as defined in section 165-2, for the
3		education and participation of the general public;
4		provided that the agricultural education programs are
5		accessory and secondary to the principal agricultural
6		use of the parcels or lots on which the agricultural
7		education programs are to occur and do not interfere
8		with surrounding farm operations. For the purposes of
9		this section, "agricultural education programs" means
10		activities or events designed to promote knowledge and
11		understanding of agricultural activities and practices
12		conducted on a farming operation as defined in section
13		165-2;
14	(20)	Solar energy facilities that do not occupy more than
15		ten per cent of the acreage of the parcel, or twenty
16		acres of land, whichever is lesser or for which a
17		special use permit is granted pursuant to section 205-
18		6; provided that this use shall not be permitted on
19		lands with soil classified by the land study bureau's
20		detailed land classification as overall (master)

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1		prod	uctivity rating class A unless the solar energy		
2		faci	facilities are:		
3		(A)	Located on a paved or unpaved road in existence		
4			as of December 31, 2013, and the parcel of land		
5			upon which the paved or unpaved road is located		
6			has a valid county agriculture tax dedication		
7			status or a valid agricultural conservation		
8			easement;		
9		(B)	Placed in a manner that still allows vehicular		
10			traffic to use the road; and		
11		(C)	Granted a special use permit by the commission		
12			pursuant to section 205-6;		
13	(21)	Solar energy facilities on lands with soil classified			
14		by the land study bureau's detailed land			
15		clas	classification as overall (master) productivity rating		
16		B or	C for which a special use permit is granted		
17		purs	uant to section 205-6; provided that:		
18		(A)	The area occupied by the solar energy facilities		
19			is also made available for compatible		
20			agricultural activities at a lease rate that is		

1		at least fifty per cent below the fair market
2		rent for comparable properties;
3	(B)	Proof of financial security to decommission the
4		facility is provided to the satisfaction of the
5		appropriate county planning commission prior to
6		date of commencement of commercial generation;
7		and
8	(C)	Solar energy facilities shall be decommissioned
9		at the owner's expense according to the following
10		requirements:
11	·	(i) Removal of all equipment related to the
12		solar energy facility within twelve months
13		of the conclusion of operation or useful
14		life; and
15	(:	ii) Restoration of the disturbed earth to
16		substantially the same physical condition as
17		existed prior to the development of the
18		solar energy facility.
19	For tl	ne purposes of this paragraph, "agricultural
20	activ	ities" means the activities described in
21	paragi	raphs (1) to (3); [ <del>or</del> ]

1	(22)	Geot	hermal resources exploration and geothermal
2		reso	urces development, as defined under section
3		182-	1[-] <u>; or</u>
4	(23)	Hydr	oelectric facilities, including the appurtenances
5		asso	ciated with the production and transmission of
6		hydr	oelectric energy, subject to section 205-2;
7		prov	ided that the hydroelectric facilities and their
8		appu	rtenances:
9		(A)	Have a hydroelectric generating capacity of not
10			more than kilowatts;
11		<u>(B)</u>	Comply with instream flow standards established
12			by the commission on water resource management;
13		<u>(C)</u>	Are accessory to agricultural activities; and
14		(D)	Do not adversely impact or impede the use of
15		•	agricultural land or the availability of surface
16			or groundwater for all uses on all parcels that
17			are served by the ground water sources or streams
18			for which hydroelectric facilities are
19			considered."
20	SECT	ION 4	. Statutory material to be repealed is bracketed
21	and stric	ken.	New statutory material is underscored.

- 1 SECTION 5. This Act shall take effect upon its approval;
- 2 provided that the amendments made to section 205-4.5(a), Hawaii
- 3 Revised Statutes, by section 3 of this Act shall not be repealed
- 4 when that section is reenacted on June 30, 2019, pursuant to
- 5 section 3(1) of Act 52, Session laws of Hawaii 2014.

#### Report Title:

Agricultural Land; Permissible Use; Hydroelectric Facilities

#### Description:

Includes hydroelectric facilities that generate up to an unspecified limit of kilowatts of electricity as a permissible use on agricultural lands if the hydroelectric facilities are accessory to agricultural activities and if certain other conditions are met. (HD1)

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